



## COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES

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**MICHAEL J. HENRY**  
DIRECTOR OF PERSONNEL

December 28, 2004

To: Personnel Officers

From: Michael J. Henry *Michael J. Henry*  
Director of Personnel

Subject: **SOCIAL SECURITY ACT OF 2004**

Effective January 1, 2005, Section 419 (c) of Public Law 108-203, the Social Security Act of 2004, requires State and local government employers to disclose the potential impact of Social Security benefits on workers who also receive a pension based on their work or employment in a job not covered by Social Security such as the County of Los Angeles. Namely,

- The Windfall Elimination Provision can affect the amount of a worker's Social Security retirement or disability benefit; and
- The Government Pension Offset Provision can affect any possible Social Security benefit entitlement as a spouse or an ex-spouse.

Beginning January 1, 2005, newly hired County of Los Angeles employees must sign the *Statement Concerning Your Employment in a Job Not Covered by Social Security* (Form SSA-1945). This statement explains how their pension from County employment could affect their future Social Security benefits. It tells newly hired employees that there might be a possible reduction in their future Social Security benefit entitlement because they now work for a governmental agency that does not participate in Social Security. This new law does not present a change in employees' current County retirement benefits.

In order to comply with the Social Security Protection Act, your Human Resources Office must:

- Give a copy of the statement (Form SSA-1945) to each employee prior to the start of employment;
- Fill in the name of the employee and his/her County Identification Number;
- Have the employee sign and date the form; Copy the signed form and send that copy to LACERA;
- Place the original signed form in the employee's official Personnel Folder; and
- Include discussion of this law in your New Employee Orientation Program.

For your convenience, we have attached a copy of Form SSA-1945, a copy of the law, some explanatory material, and a New Employee Orientation Checklist.

Personnel Officers  
December 28, 2004  
Page 2

At a later date, our office will determine if language concerning this new law must be included in job bulletins for disclosure to job applicants and inform you of our decision. In addition to this memorandum, we will issue formal instructions in the form of a Policy, Procedure, and Guideline (PP and G).

If you have any questions or need additional information, please call Tom Beggane of my staff at (213) 639-6736.

MJH:TJH  
LT:TPB

Attachments

## Statement Concerning Your Employment in a Job Not Covered by Social Security

Employee Name

Employee ID#

Employer Name County of Los Angeles

Employer ID# 95-6000927

Department Name

Department #

Your earnings from this job are not covered under Social Security. When you retire, or if you become disabled, you may receive a pension based on earnings from this job. If you do, and you are also entitled to a benefit from Social Security based on either your own work or the work of your husband or wife, or former husband or wife, your pension may affect the amount of the Social Security benefit you receive. Your Medicare benefits, however, will not be affected. Under the Social Security law, there are two ways your Social Security benefit amount may be affected.

### Windfall Elimination Provision

Under the Windfall Elimination Provision, your Social Security retirement or disability benefit is figured using a modified formula when you are also entitled to a pension from a job where you did not pay Social Security tax. As a result, you will receive a lower Social Security benefit than if you were not entitled to a pension from this job. For example, if you are age 62 in 2005, the maximum monthly reduction in your Social Security benefit as a result of this provision is \$313.50. This amount is updated annually. This provision reduces, but does not totally eliminate, your Social Security benefit. For additional information, please refer to the Social Security publication, "Windfall Elimination Provision."

### Government Pension Offset Provision

Under the Government Pension Offset Provision, any Social Security spouse or widow(er) benefit to which you become entitled will be offset if you also receive a Federal, State or local government pension based on work where you did not pay Social Security tax. The offset reduces the amount of your Social Security spouse or widow(er) benefit by two-thirds of the amount of your pension.

For example, if you get a monthly pension of \$600 based on earnings that are not covered under Social Security, two-thirds of that amount, \$400, is used to offset your Social Security spouse or widow(er) benefit. If you are eligible for a \$500 widow(er) benefit, you will receive \$100 per month from Social Security,  $\$500 - \$400 = \$100$ . Even if your pension is high enough to totally offset your spouse or widow(er) Social Security benefit, you are still eligible for Medicare at age 65. For additional information, please refer to the Social Security publication, "Government Pension Offset."

### For More Information

Social Security publications and additional information, including information about exceptions to each provision, are available at [www.socialsecurity.gov](http://www.socialsecurity.gov). You may also call toll free 1-800-772-1213, or, for the deaf or hard of hearing, call the TTY number 1-800-325-0778, or contact your local Social Security office.

**I certify that I have received Form SSA-1945 that contains information about the possible effects of the Windfall Elimination Provision and the Government Pension Offset Provision on my potential future Social Security benefits.**

Signature of Employee

Date

Form SSA-1945 (1 1-2004) (Expires January, 2006)

c: Personnel File  
LACERA

**Information about Social Security Form SSA-1945,  
Statement Concerning Your Employment in a Job Not Covered by Social Security**

New legislation [Section 419(c) of Public Law 108-203, the Social Security Protection Act of 2004] requires State and local government employers to provide a statement to employees hired January 1, 2005 or later in a job not covered under Social Security. The statement explains how a pension from that job could affect future Social Security benefits to which they may become entitled.

Form SSA-1945, **Statement Concerning Your Employment in a Job Not Covered by Social Security**, is the document that employers should use to meet the requirements of the law. The SSA-1945 explains the potential effects of two provisions in the Social Security law for workers who also receive a pension based on their work in a job not covered by Social Security. The Windfall Elimination Provision can affect the amount of a worker's Social Security retirement or disability benefit. The Government Pension Offset Provision can affect any possible Social Security benefit entitlement as a spouse or an ex-spouse.

Employers must:

- Give the statement to the employee prior to the start of employment;
- Get the employee's signature on the form; and
- Submit a copy of the signed form to the pension paying agency.

Social Security will not be setting any additional guidelines for the use of this form.

Copies of the SSA-1945 are available online at the Social Security website, [www.socialsecurity.gov/form1945](http://www.socialsecurity.gov/form1945). Paper copies can be requested by email at [oplmsm.rqct.orders@ssa.gov](mailto:oplmsm.rqct.orders@ssa.gov), or by fax at 410-965-2037. The request must include the name, complete address and telephone number of the employer. Forms will not be sent to a post office box. Also, if appropriate, include the name of the person to whom the forms are to be delivered. The forms are available in packages of 25. Please refer to Inventory Control Number (ICN) 276950 when ordering.

Social Security Online

## Social Security Form SSA-1945

**If You Hire New Employees Not Covered by Social Security****What You Must Do**

When you hire a new employee after January 1, 2005:

- Give Form SSA-1945, *Statement Concerning Your Employment in a Job Not Covered by Social Security*, to the new employee before employment begins.
- Have the employee sign the form.
- Submit a copy of the signed form to the pension-paying agency.
- You may obtain electronic copies of Form SSA-1945 and instructions for its use at [www.socialsecurity.gov/form1945/SSA-1945.pdf](http://www.socialsecurity.gov/form1945/SSA-1945.pdf) .
- Paper copies may be ordered via email at [oplm.oswm.rqct.orders@ssa.gov](mailto:oplm.oswm.rqct.orders@ssa.gov) or by fax at 410-965-2037. (Form SSA-1945 comes in packages of 25.)
  - You must include the employer name, complete address and telephone number. (We can not send forms to a post office box.)
  - If appropriate, include the name of the person who will take delivery.
  - Ask for Inventory Control Number (ICN) 276950.

**How to Obtain Form SSA-1945****Additional Information**

- Form SSA-1945 explains to your new employee the potential effects of two provisions in the Social Security law on workers who also receive a pension based on their work in a job **not** covered by Social Security:
  - The Windfall Elimination Provision affects the amount of Social Security retirement or disability benefits, and
  - The Government Pension Offset Provision affects the amount of Social Security benefits received as a spouse or an ex-spouse.
- Social Security will not be setting any additional

guidelines for the use of this form.

**What the Law Requires** Section 419(c) of Public Law 108-203, the Social Security Protection Act of 2004, requires State and local government employers to disclose the effect of the Windfall Elimination Provision and the Government Pension Offset to employees hired on or after January 1, 2005, in jobs **not** covered by Social Security. The law requires newly hired public employees to sign a statement that they are aware of a possible reduction in their future Social Security benefit entitlement.



## Countywide New Employee Orientation *Departmental Checklist*

<b>Employee Name</b>	<b>Employee Number</b>
<b>Department</b>	<b>Item Number</b>

I hereby acknowledge that I have received the information listed in this document. If I have any questions or concerns, I may contact my supervisor or my departmental Personnel/HR Division.

<b>Employee Signature</b>	<b>Date</b>	<b>Supervisor/Dept'l. Personnel/HR</b>	<b>Date</b>
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<input checked="" type="checkbox"/>	<b>HIRING FORMS</b>		SAVINGS BONDS
	WELCOME TO THE DEPARTMENT		CHARITABLE GIVING
	INSURANCE BENEFITS (Must complete enrollment within 60 days of hire)		DISASTER PREPAREDNESS
		<input checked="" type="checkbox"/>	<b>DEPARTMENT ORIENTATION</b>
	BENEFICIARY INFORMATION		DEPARTMENT MISSION
	OPTION OF PERSONAL PHYSICIAN FOR I.A.		HISTORY OF DEPARTMENT
	SALARY, DIRECT DEPOSIT, FIRST PAYCHECK, PAYDAYS		STRUCTURE AND FUNCTION OF DEPARTMENT
	TAX DEDUCTION FORMS		RELATIONSHIP OF INDIVIDUAL JOB TO DEPARTMENT/COUNTY OPERATION
	SOC. SEC. DISCLOSURE STATEMENT FORM SSA 1945		
	WARRANT RECEIPT DESIGNATION FORM		DEPARTMENT CUSTOMERS
	EMPLOYMENT ELIGIBILITY VERIFICATION (I-9)		CUSTOMER SERVICE
	EMPLOYEE INFORMATION FORM		
	EMERGENCY CONTACT		
	MAINTAINING CURRENT ADDRESS AND TELEPHONE NUMBER	<input checked="" type="checkbox"/>	<b>PERFORMANCE/CONDUCT EXPECTATIONS</b>
	OUTSIDE EMPLOYMENT		PERFORMANCE EXPECTATIONS
	CONFLICT OF INTEREST		PROBATION
	SEXUAL HARASSMENT POLICY		DRESS CODE (Standards, where applicable)
	DOMESTIC VIOLENCE AWARENESS		<b>TELEPHONE PROCEDURES</b>
	PARKING		INTERNET POLICIES
	RETIREMENT (To avoid default, forms must be filed within 60 days of hire)		DISCIPLINARY GUIDELINES
			PERFORMANCE EVALUATION SYSTEM
	SAVINGS PLANS		COUNTY OF LOS ANGELES EMPLOYEE HANDBOOK
	CREDIT UNIONS		

